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ORIGINAL

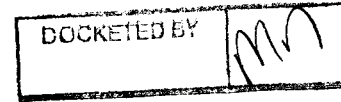
July 16, 2009

Via Federal Express

Arizona Corporation Commission
Docket Control
1200 W. Washington Street
Phoenix, AZ 85007-2927

Arizona Corporation Commission
DOCKETED

JUL 17 2009



Re: Docket No. T-20618A-08-0469, iBasis Retail, Inc. - Application for Certificate of Convenience and Necessity for Authority to Provide Resold Interexchange Services

Dear Sir or Madam:

iBasis Retail, Inc. ("iBasis Retail"), by its counsel, provides an original and thirteen copies of its response to the Arizona Corporation Commission Staff's third data request dated June 23, 2009. Kindly date-stamp the extra copy of this response and return it in the self-addressed, federal express envelope. Please contact the undersigned with any questions concerning this matter.

Respectfully submitted,

Kemal Hawa
Stefanie Z. Desai
Counsel for iBasis Retail, Inc.

cc: Pamela J. Genung

Enclosures

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2009 JUL 17 P 3:49
AZ CORP COMMISSION
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Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

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**IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S SECOND SET OF DATA
REQUESTS**

DOCKET NO. T-20618A-08-0469

July 16, 2009

PJG 3-1: As specified in iBasis's proposed Arizona CC Tariff No. 1, Section 2, on Original Page 16 and 17, at 2.4.2 through 2.4.9, please explain when each of these provisions might be applicable to a Customer that receives resold long distance services and prepaid calling card services from iBasis. If this information was included in error, please provide replacement tariff page(s).

iBasis Retail: iBasis Retail has eliminated these provisions from its tariff. Please see the revised pages in the revised tariff attached at Exhibit A.

Response by: Ellen Schmidt, Senior Counsel
20 Second Avenue
Burlington, MA 01803

PJG 3-2: In response to PJG 1-2 and PJG 1-3 of Staffs Second Set of Data Requests, iBasis eliminated the deposit and advance payment provisions from Section 2, on Original Page 20 of its revised proposed tariff. In accordance with Arizona Administrative Code R14-2-504(A), Staff recommends that iBasis file a replacement tariff page indicating that the Company will not be requesting deposits or advance payments rather than just deleting the language from its tariff.

iBasis Retail: In response to Staff's request, iBasis Retail has revised Original Page 20 to indicate that it does not require deposits or advanced payments for its intrastate services. Please see revised page 20 in the revised tariff attached at Exhibit A.

Response by: Ellen Schmidt, Senior Counsel
20 Second Avenue
Burlington, MA 01803

**IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S SECOND SET OF DATA
REQUESTS**

DOCKET NO. T-20618A-08-0469

July 16, 2009

PJG 3-3: The language in iBasis's proposed Arizona CC Tariff No. 1, Section 3, on Original Page 24, at 3.1.1, second paragraph, is not clear whether intrastate services are available when customers use the iBasis Prepaid Calling Card. Please provide a replacement tariff page clarifying intrastate usage.

iBasis Retail: In response to Staff's request, iBasis Retail has revised section 3.1.1 at Original Page 24 to reflect that customers can make intrastate calls using iBasis Retail's Prepaid Calling Cards. Please see revised page 24 in the revised tariff attached at Exhibit A.

Response by: Ellen Schmidt, Senior Counsel
20 Second Avenue
Burlington, MA 01803

PJG 3-4: In response to PJG 1-7 of Staff's First Set of Data Requests, iBasis provided competitive rate information in Exhibit A for Entrix Telecom, Inc. and IDT America, Corp. iBasis did not provide actual corresponding tariff pages as previously requested. Staff was able to locate tariff page 30 in the Entrix Telecom, Inc. Tariff No. 1 which is on file at this Commission. In IDT America, Corp. Tariff No. 1 and Tariff No. 2 which are on file at this Commission, Staff is unable to locate tariff page 28.2 and the information on page 29 does not correspond with the information provided in Exhibit A. Please provide copies.

iBasis Retail: Please see Exhibit B for copies of tariff pages 28.2 and 29 for IDT America, Corp. Exhibit B also includes a copy of Exhibit A which was attached to the response to Staff's First Set of Data Requests and references the rate information provided in tariff pages 28.2 and 29.

Response by: Ellen Schmidt, Senior Counsel
20 Second Avenue
Burlington, MA 01803

A

iBASIS RETAIL, INC.

TITLE SHEET

ARIZONA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and intrastate rates applicable to the furnishing of services or facilities for telecommunications services furnished by iBasis Retail, Inc. ("iBasis Retail" or the "Company"), with principal offices at 20 Second Avenue, Burlington, Massachusetts 01803. This Tariff applies to services furnished within the State of Arizona. This Tariff is on file with the Arizona Corporation Commission and copies may be inspected during normal business hours at the Company's principal place of business.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom right-hand side of this sheet.

<u>SHEET</u>	<u>REVISION</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original
11	Original
12	Original
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18	Original
19	Original
20	Original
21	Original
22	Original
23	Original
24	Original
25	Original
26	Original

* - Indicates Revised Sheet

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SYMBOLS

The following are the only symbols used for the purposes indicated below:

- D - Delete Or Discontinue
- I - Change Resulting In An Increase To A Customer's Bill
- M - Moved To Or From Another Tariff Location
- N - New
- R - Change Resulting In A Reduction To A Customer's Bill
- T - Change In Text Or Regulation But No Change In Rate Or Charge

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TARIFF FORMAT SHEETS

- A. Sheet Numbering: Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between pages 11 and 12 would become page 11.1.
- B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, a 4th Revised Sheet 13 would cancel a 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.
- C. Paragraph Numbering Sequence: There are nine (9) levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
 - 2.1
 - 2.1.1
 - 2.1.1.A
 - 2.1.1.A.1
 - 2.1.1.A.1.(a)
 - 2.1.1.A.1.(a).I
 - 2.1.1.A.1.(a).I.(i)
 - 2.1.1.A.1.(a).I.(i).(1)
- D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remains the same except for the revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the Commission.

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SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS

Access Line – An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to the Company's location or switching center.

ANI – ANI stands for Automatic Number Identification.

Applicant – An Applicant is any entity or person who applies for Service under this tariff.

Application for Service – The Application for Service is the Company's standard order form which includes all pertinent, billing, technical, and other descriptive information which will enable the Company to provide Telecommunications Services as required.

Authorization Code – A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the Customer's call so that it may rate and bill the call. Automatic number identification (ANI) is used as the Authorization Code wherever possible.

Authorized User – An Authorized User is a person, firm, corporation, or other entity that either is authorized by the Customer to receive or send Telecommunications or is placed in a position by the Customer, either through acts or omissions, to send or receive Telecommunications.

CLEC – CLEC is an acronym for Competitive Local Exchange Carrier.

Commission – Commission is used throughout this tariff to mean the Arizona Corporation Commission.

Company – Company refers to iBasis Retail, Inc.

Customer – The person, firm, corporation, or other legal entity that orders the Services of the Company or purchases a Company Prepaid Calling Card and/or originates prepaid calls using such Cards, and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Dedicated Access – The Customer gains entry to the Company's Services by a direct path from the Customer's location to the Company's Point-of-Presence.

DUC – DUC is an acronym for Designated Underlying Carrier.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
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Effective Date:

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS – (CONT'D.)

InterLATA Call – An InterLATA call is any call that originates in one LATA and terminates in a different LATA.

IntraLATA Call – An IntraLATA call is any call that originates in one LATA and terminates in the same LATA.

IXC – IXC stands for Interexchange Carrier.

LATA – LATA is an acronym for Local Access Transport Area, which is a geographic boundary within which a Local Exchange Carrier provides communications services.

LEC – LEC is an acronym for Local Exchange Carrier.

NPA – NPA literally stands for Numbering Plan Area but is more commonly referred to as an area code.

NXX – NXX represents the first three digits of a Customer's telephone number.

PIC – PIC stands for Primary Interexchange Carrier.

PIN – PIN stands for Personal Identification Number.

Platform – Platform is the proprietary technology and associated computer equipment that is used in conjunction with the Company's Prepaid Calling Cards.

Point of Sale – Point of Sale is the location at which a Customer purchases the Prepaid Calling Card.

POP – POP is an acronym for Point-of-Presence. A POP may be (a) the central office of the Underlying Carrier; (b) a location where the LEC or CLEC hands off traffic of the Company's Customer to the Underlying Carrier; or (c) the location where the Customer's facility interconnects with the DUC.

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Effective Date:

SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS – (CONT'D.)

Prepaid Account – An inventory of Telecom Units purchased in advance by the Customer, and associated with one and only one Authorization Code as contained in a specific Prepaid Calling Card.

Prepaid Calling Card or Card – A card issued by the Company, containing an Authorization Code which identifies a specific Prepaid Account of Telecom Units, which enables calls to be processed, account activity to be logged, and balances to be maintained, on a prepayment basis.

Resp. Org – Responsible Organization or entity identified by a toll-free service Customer that manages and administers records in the toll free number database and management system.

Service(s) – Service consists of any Telecommunications Service provided by the Company pursuant to this tariff.

Switched Access – The Customer gains entry to the Company's Services by a transmission line that is switched through the Local Exchange Carrier to reach the Company's Point-of-Presence.

Telecom Unit – A measurement of Telecommunications Service equivalent to one minute of usage between any two points within the State of Arizona.

Telecommunications – The transmission of voice communications or, subject to the transmission capabilities of the services, the transmission of data, facsimile, signaling, metering, or other similar communications.

Underlying Carrier – A Telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer Telecommunications traffic.

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Vice President
20 Second Ave
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SECTION 2 – RULES AND REGULATIONS

2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate interexchange Telecommunications Services provided by the Company for Telecommunications between points within the State of Arizona. Services are furnished subject to the availability of facilities and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. The Company's Services are provided on a statewide basis and are not intended to be limited geographically. The Company offers Service to all those who desire to purchase Service from the Company consistent with all of the provisions of this tariff. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer to allow connection of a Customer's location to a Service provided by the Company. The Customer shall be responsible for all charges due for such Service arrangement.

- 2.1.1 The Services provided by the Company are not part of a joint undertaking with any other entity providing Telecommunications channels or facilities but may involve the services of Underlying Carriers.
- 2.1.2 The rates and regulations contained in this tariff apply only to the Services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by LECs or other common carriers for use in accessing the Services of the Company.
- 2.1.3 The Company reserves the right to limit the length of communications, discontinue furnishing Services, or limit the use of Service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration, or re-pricing of the Underlying Carrier's tariffed offerings; or when the use of Service becomes or is in violation of the law or the provisions of this tariff.

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20 Second Ave
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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.2 Use and Limitations of Services

- 2.2.1 The Company's Services may be used for any lawful purpose consistent with the transmission and switching parameters of the Telecommunications facilities utilized in the provision of Services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of the Company's Services without payment for Service or attempting to avoid payment for Service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.3 The Company's Services are available for use twenty-four (24) hours per day, seven (7) days per week.
- 2.2.4 The Company's Services may be denied for nonpayment of charges or for other violations of this tariff subject to Section 2.5.1 herein.
- 2.2.5 Customers shall not use the Service provided under this tariff for any unlawful or abusive purpose, including but not limited to:
- A. Use of the Service to transmit a message or to locate a person or otherwise to give or obtain information without payment of the applicable charge; or
 - B. Obtaining or attempting to obtain or assisting another to obtain or to attempt to obtain Services by tampering, rearranging, or making connection with any Service components of the Company or the DUC or by any trick or scheme or by any other fraudulent means or device whatsoever with intent to avoid payment in whole or in part of the charges for such Services; or
 - C. Use of the Service of the Company to send a message or messages anonymously or otherwise in a manner reasonably expected to frighten, abuse, torment, or harass another; or
 - D. Use of the Service in such a manner as to interfere unreasonably with the use of Services by one or more other Customers.
- 2.2.6 The Customer is responsible for notifying the Company immediately of any unauthorized use of Services.

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Vice President
20 Second Ave
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Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Liabilities of the Company

- 2.3.1 The Company's liability will be limited to that expressly assumed in Section 2.3 of this tariff.
- 2.3.2 The Company shall not be liable for any claim, loss, expense, damage, or for any interruption, delay, error, omission, or defect in any Service, facility, or transmission provided under this tariff, if caused by an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control.
- 2.3.3 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property, or entity arising out of the material, data, or information transmitted.
- 2.3.4 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.5 The Company's liability, resulting in whole or in part from or arising in connection with the furnishing of Service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects and not caused by the gross negligence or willful misconduct of the Customer, shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected.
- 2.3.6 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement, or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.

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SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Liabilities of the Company (cont.)

- 2.3.7 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the Service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing Service.
- 2.3.8 Unless otherwise provided in the specific Service section, the Company will not be liable to the Customer for damages or be obligated to make any adjustment, refund, or cancellation of charges unless the Customer has notified the Company in writing of any dispute concerning the charges, or the basis of any claims for damages, within sixty (60) calendar days after an invoice is rendered or a debit is effected by the Company for the call giving rise to the dispute or claim. Any such notice shall set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demand. If the Customer is not satisfied with the Company's resolution of the billing issue, the Customer may submit an application to the Commission for review and resolution.
- 2.3.9 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express or implied, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Issued Date:

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Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Liabilities of the Company (cont.)

2.3.10 The Company is not liable for failure of performance hereunder due to causes beyond its control, including but not limited to:

- A. Unavoidable interruption in the working transmission facilities including but not limited to fire, explosion, vandalism, cable cut, or other similar occurrence; or
- B. Natural Disasters such as storms, fire, flood, or other catastrophes; or
- C. Any law, order, regulation, direction, action, or request of the United States government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of such governmental entity, or of any civil or military entity; or
- D. National Emergencies, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor difficulties, supplier failures shortages or the like; or
- E. Notwithstanding anything in this tariff to the contrary, the lawful acts of individuals, including acts of the Company's agents and employees if committed beyond the scope of their employment.

Issued Date:

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Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.3 Liabilities of the Company (cont.)

2.3.11 The Company is not liable for:

- A. Damages caused by negligence or willful misconduct of the Customer; or
- B. The use or abuse of any Service described herein by any party including, but not limited to, the Customer's employees or members of the public. "Use or Abuse" includes but is not limited to, any calls placed by means of PBX-re-origination or any other legal or illegal equipment, service, or device. In the case of inbound Service, this also applies to third parties who dial the Customer's toll free inbound number by mistake; or
- C. Any action or omission of any other company or companies furnishing a portion of the Services, or facilities, or equipment associated with the Services; or
- D. Any action, such as suspension of Service, blocking, or deactivating the provision of Service for all traffic or traffic to or from certain NPA NXXs, certain countries, cities, or individual telephone stations for any Service offered under this tariff in order to control fraud or non-payment.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations. The Customer is also responsible for the payment of charges for Services provided under this tariff.
- 2.4.2 The Customer must use the Services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal, and local authorities having jurisdiction over the Services.
- 2.4.3 The Customer is responsible for all lost and stolen travel cards, calling cards, and associated PINs.
- 2.4.4 In the event that parties other than the Customer (e.g., the Customer's customer) will have use of the Services directly or indirectly through the Customer, then the Customer agrees to forever indemnify and hold the Company and any affiliated or unaffiliated third party provider or operator of facilities employed in the provision of the Services harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments, or payments which may be asserted by said parties. 2.4.5 Upon receipt of the Company's Prepaid Calling Cards, the Customer will assume all risks of loss or misuse of such Prepaid Calling Cards.
- 2.4.6 The Customer will not use the Company's name or any service mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion or promotional material, publication, contracts, or bill of the Customer without the express prior written consent of the Company.

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20 Second Ave
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Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.4 Responsibilities of the Customer (cont'd.)

- 2.4.7 The Customer is responsible for the payment of all charges for Services provided under this tariff and for the payment of all assessments, fees, surcharges, taxes, or similar liabilities whether charged to or against the Company or the Customer. This includes but is not limited to amounts the Company is required by government or other entities to collect and/or pay to designated entities. The Company may adjust its rates and charges, or impose additional rates and charges, in order to recover these amounts. Unless otherwise specified herein, if any entity imposes charges on the Company in connection with the Customer's Service, that entity's charges may be passed through to the Customer. The Customer is responsible for the payment of all such charges.
- 2.4.8 The cancellation of Services by the Customer pursuant to Section 2.5.4 of this tariff or discontinuance or suspension of Services by the Company pursuant to Section 2.5 of this tariff does not relieve the Customer of any obligations to pay the Company for charges due and owing for Services furnished up to the time of discontinuance. The remedies set forth herein will not be exclusive and the Company will at all times be entitled to all rights available to it under either law or equity.

Issued Date:

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Vice President
20 Second Ave
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Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.5 Cancellation or Interruption of Services

2.5.1 Without incurring liability, upon five (5) working days' (defined as any day on which the Company's business office is open and the U.S. Mail is delivered) written notice to the Customer, the Company may immediately discontinue Services to a Customer or may withhold the provision of ordered or contracted Services:

- A. For nonpayment of any sum due to the Company for more than thirty (30) days after issuance of the bill for the amount due; or
- B. For violation of any of the provisions of this tariff; or
- C. For violation of any law, rule, regulation, or policy of any governing authority having jurisdiction over the Company's Services; or
- D. By reason of any order or decision of a court, public service commission, federal regulatory body, or other governing authority prohibiting the Company from furnishing its Services.

The above notice is not required in those instances where the Company does not have contact information for the Customer.

2.5.2 Without incurring liability, the Company may interrupt the provision of Services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of the Customer's and the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.

2.5.3 Service may be discontinued by the Company without notice to the Customer, by blocking traffic to certain counties, cities, or NXX exchanges, or by blocking calls using certain Customer Authorization Codes, when the Company deems it necessary to take such action to prevent unlawful use of its Service. The Company will restore Service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new Authorization Code to replace the one that has been deactivated, or otherwise make the Customer whole.

Issued Date:

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Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.5 Cancellation or Interruption of Services (cont'd.)

2.5.4 The Customer may terminate Service upon verbal or written notice for the Company's standard month-to-month contract. The Customer will be liable for all usage on any of the Company's Service offerings until the Customer actually leaves the Service. Customers will continue to have the Company's Service and be responsible for payment until the Customer or its agent notifies its LEC and changes its long distance carrier.

The Company's discontinuance policies concerning Prepaid Calling Card Services is found in Section 3.1

2.6 Credit Allowance - Interruption of Service

2.6.1 Credit may be given for disputed calls, on a per call basis.

2.6.2 Credit shall not be issued for the unavailability of long distance Services.

2.6.3 The Company's credit allowance policies concerning Prepaid Calling Card Services are found in Section 3.1.6.

2.7 Deposits

The Company does not require deposits for its intrastate services.

2.8 Advance Payments

The Company does not require advance payments for its intrastate services.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.9 Payment and Billing

2.9.1 For any Service that is not prepaid, Service is provided and billed on a billing cycle basis, beginning on the date that Service becomes effective. Billing is payable upon receipt.

2.9.2 The Customer is responsible for payment of all charges for Services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, subscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, subscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer. For any Services that are not prepaid and that have charges based on actual usage during a month, any accrued interest will be billed monthly in arrears.

2.10 Collection Costs

In the event the Company is required to initiate legal proceedings to collect any amounts due to the Company for regulated Services, or for the enforcement of any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to the Company for all reasonable costs incurred by the Company in such proceedings and enforcement actions, including reasonable attorneys' fees, collection agency fees or payments, and court costs. In any such proceeding, the amount of collection costs, including attorneys' fees, due to the Company will be determined by the court.

2.11 Taxes

When a Customer receives a bill from the Company for Services, all federal, state, and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, will be billed as separate line items and are not included in the rates quoted herein. Any applicable sales tax or exemption must be certified in writing and supported by appropriate documentation.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 2 – RULES AND REGULATIONS (CONT'D.)

2.12 Late Charge

For all Services that are not prepaid, if payment is not received by the Customer by the due date, a late fee of the lesser of (a) one and one-half (1½) percent per month or (b) the maximum percentage permitted by law, shall be assessed against the Customer's delinquent balance of undisputed usage not paid by the due date. A Customer that is past due with a payment is liable for all reasonable attorneys' fees and other properly documented costs of collection incurred by the billing Customer, if any.

2.13 Return Check Charge

A fee in the amount of \$25.00 will be charged whenever a check or draft presented for payment for Service is not accepted by the institution on which it is written.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 3 - DESCRIPTION OF SERVICE

3.1 Prepaid Calling Card Services

3.1.1 General

The Company may produce and arrange for the distribution and sale of Prepaid Calling Cards. The Prepaid Calling Cards will be brand marked iBasis, Inc. or iBasis Retail, Inc.

All Prepaid Calling Card Services allow the Customer to place intrastate, interstate, and international calls. All applicable fees, directions for use, and customer service information are included on the back of the Cards or on the packaging. Prepaid Calling Cards have no cash redemption value. The Company is not responsible for lost or stolen Cards, or PINs, or unauthorized use.

3.1.1.1 Customers may purchase the Company's Prepaid Calling Cards at a variety of retail outlets or through other distribution channels.

3.1.1.2 Prepaid Calling Card Services will be available with designated Card face values such as two dollars (\$2.00), three dollars (\$3.00), five dollars (\$5.00), ten dollars (\$10.00), twenty dollars (\$20.00), or alternatively, other values in one-cent (\$.01) U.S. increments.

3.1.2 Description of Service

The Company's Prepaid Calling Card Service is a prepaid long distance Service that allows Customers to obtain a predetermined amount of access to the Company's long distance Services by purchasing the Company's Prepaid Calling Cards. The Cards are a cash-value-based Service with fixed face values on the Cards that are available to the Customer that purchases the Cards. Some Cards may include a recharge option as set forth in Section 3.1.3.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)

3.1 Prepaid Calling Card Services (cont'd.)

3.1.2 Description of Service (cont'd.)

3.1.2.1 Prepaid Calling Card Usage

- A. Prepaid Calling Card Service is offered via access numbers printed on the back of the Cards. The Customer dials the access number on the Card and is then prompted by an automated voice response system to enter the Authorization Code (or PIN), which is either included on the back of the Card or otherwise provided to the Customer upon purchase. The Customer then enters the called telephone number. A PIN is not required if the Card provides for ANI registration and the Customer registers its ANI with the Company.
- B. The Calling Card Platform validates the PIN or ANI, determines the time remaining on the Card, which is prompted to the caller, and completes the call.
- C. Billing for a call begins when the Platform receives a signal that the called-to number is answered. Billing ends when the Platform receives a signal that the calling or called party has terminated the call. Upon call termination, the total consumed cost for each call is deducted from the remaining balance on the Card.
- D. Calls are billed in increments ranging from one to five minutes depending on the specific calling Card and the destination called.
- E. All calls must be charged against a Card that has a sufficient balance. All callers will receive a warning tone one (1) minute before the balance is reduced to zero (0). The call will be interrupted when the balance is reduced to zero (0).
- F. Calling Cards are only valid if activated by an authorized distributor or reseller and used prior to their expiration dates. The Company will not refund unused balances after Cards have expired.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)

3.1 Prepaid Calling Card Services (cont'd.)

3.1.3 Extra Features

The following extra features may be available on some of the Company's Cards:

- A. ANI Registration – Cards that have an ANI registration option will be disclosed as such. For these Cards, a Customer has the option of registering its ANI with the Company so that it is not necessary to input the PIN number for the call to be validated.
- B. Recharge Option – Cards that have the recharge option will be disclosed as such. For these Cards, Customers may select an amount of access to the Company's Service from a choice of pre-designated amounts. A Customer may recharge the Cards by selecting one of the pre-designated amounts.

3.1.4 Call Blocking

The Company will block calls made to the following types of numbers: "500," "700," "855," "900," "976," "411," "555," "885," "886," and "872." These types of calls, therefore cannot be completed.

3.1.5 Customer Service

Customers may dial the customer service number on the back of the Card twenty-four (24) hours per day, seven (7) days per week to report any problems with the Card or Service. A live operator is available to take calls from 10:00 a.m. to 12:00 a.m. ET. When a live operator is not available, Customers may leave messages regarding their questions or concerns and the Company will return messages within one (1) business day from the date messages are received.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 3 - DESCRIPTION OF SERVICE (CONT'D.)

3.1 Prepaid Calling Card Services (cont'd.)

3.1.6 Credits

- 3.1.6.1 To receive credit, the Customer must promptly notify the Company at the designated toll free number on the back of the Card and furnish the PIN, the called number, the trouble experienced, and the approximate time the call was placed.
- 3.1.6.2 With the provision of the above information, the Customer will receive a credit equivalent of up to one (1) minute under the following circumstances:
 - A. When a call charged to a Prepaid Calling Card is interrupted due to a cut-off or one-way transmission.
 - B. Credit for failure of Service shall also be allowed for failure of power, equipment, or systems, which are provided for and are the responsibility of the Company if such failures occur while a completed call is in progress.
- 3.1.6.3 Credit allowances will not be given for interruptions that are due to the failure of power, equipment, or systems not provided by the Company.
- 3.1.6.4 Credit allowances will not exceed the amount of usage deducted from the card balance.
- 3.1.6.5 No credits will be provided in the event of any force majeure events.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 3 - DESCRIPTION OF SERVICE, (CONT'D.)

3.1 Prepaid Calling Card Services (cont'd.)

3.1.7 Refunds

If a Prepaid Calling Card is unusable for reasons beyond the Customer's control, the Card has not exceeded the expiration period, and the retail outlet has not provided a replacement card, a Customer may submit a refund request by calling customer service and providing all relevant information. Upon verification that a refund is due, the Customer will be provided with either a replacement card equal to the value remaining in the account, or if possible, the equivalent value on the Customer's card. Card replacements will be accomplished either via the retail outlet where the card was purchased or sent to the Customer's address, at the option of the Customer. No monetary refunds will be provided.

The refund will be provided to the Customer within sixty (60) days of notification by the Customer of the problem.

3.2 Discontinuance of Prepaid Calling Card Service

If the Company wishes to discontinue Service, it will ensure either through its contracts with its network providers, distributors, or marketing agents, or other means, that purchased Cards remain usable through their expiration dates or, if the Card does not have an expiration date, for one (1) year from the date of first use, or that Customers are otherwise made whole.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

SECTION 4 - RATES AND CHARGES

4.1 Rates and Charges for Prepaid Calling Services Are As Follows:

A base per minute rate of up to \$.60 per minute.

A weekly fee of \$0.89 is assessed within twenty-four (24) hours after the first call and each week thereafter.

Up to a \$0.99 hang-up or connect fee will be applied at the end or start of the call.

4.2 Payphone Surcharge

The Company prohibits intrastate calls from payphones.

4.3 Promotional Offerings

The Company may from time to time make promotional offerings available in which the rates and charges differ from the tarified rates in Section 4.1. These offerings will be limited to certain Cards and dates and the Commission will be notified as required of these promotions.

Issued Date:

Issued By: Tony Bloom
Vice President
20 Second Ave
Burlington, MA 01803

Effective Date:

B

MINTZ LEVIN

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2008 DEC -5 P 12:15
December 4, 2008

AZ CORP COMMISSION
DOCKET CONTROL

Via Federal Express

Arizona Corporation Commission
Docket Control
1200 W. Washington Street
Phoenix, AZ 85007-2927

**DATE STAMP
AND RETURN**

Re: Docket No. T-20618A-08-0469, iBasis Retail, Inc. - Application for Certificate of Convenience and Necessity for Authority to Provide Resold Interexchange Services

Dear Sir or Madam:

iBasis Retail, Inc. ("iBasis Retail"), by its counsel, provides an original and thirteen copies of its response to the Arizona Corporation Commission's data request dated October 31, 2008. Kindly date-stamp the extra copy of this response and return it in the self-addressed, federal express envelope. Please contact the undersigned with any questions concerning this matter.

Respectfully submitted,



Kemal Hawa
Stefanie A. Zalewski
Counsel for iBasis Retail, Inc.

cc: Pamela J. Genung

Enclosures

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

BOSTON | WASHINGTON | NEW YORK | STAMFORD | LOS ANGELES | PALO ALTO | SAN DIEGO | LONDON

IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S FIRST SET OF DATA REQUESTS

DOCKET NO. T-20618A-08-0469

December 4, 2008

PJG 1-1: Please specify the number of years of telecommunications experience for each of the Current Directors and Current Officers of iBasis Retail, Inc. that are identified in Attachment A of iBasis' Application.

iBasis Retail: Ofer Gneezy - 12 Years
Gordon VanderBrug - 12 Years
Richard Tennant - 7 Years
Mark Flynn - 1.5 Years

PJG 1-2: On Original Page 29 of iBasis' proposed Arizona CC Tariff No. 1, at 4.1 Rates and Charges for Prepaid Calling Services, a per minute rate, a weekly fee, and a hang-up or connect fee are listed. Please specify whether iBasis or an affiliate will charge or charges the same rates for similar services in the other states/jurisdictions in which iBasis has been approved to provide service. If there is a difference between the rates that iBasis will charge in Arizona and the rates that it will charge or charges in the other states/jurisdictions for similar service, please identify and indicate the amount of the difference and explain why you are charging different rates in Arizona.

iBasis Retail: Except as explained in response to PJG 1-6, the rates provided on page 29 of iBasis Retail, Inc.'s proposed tariff are the same rates for the same services provided in other states. The same rates have been approved by the following states that require tariffed rates: Florida, Delaware, Idaho, Illinois, Massachusetts, New York, Texas, and West Virginia.

PJG 1-3: On Original Page 29 of iBasis Retail's proposed Arizona CC Tariff No. 1, at 4.2 Payphone Surcharge, the per call charge is listed as up to \$0.99. The Commission's current policy allows a maximum per call rate of \$0.60. Therefore, it is recommended that a replacement page to the proposed tariff be filed containing the lesser maximum rate.

iBasis Retail: iBasis Retail, Inc. cannot economically support providing payphone calls within Arizona if it is limited to a maximum charge of \$0.60 per call. Therefore, iBasis Retail, Inc. will prohibit intrastate payphone calls within Arizona and will provide notice of such on the cards sold within the state. Please see page 29 of the revised proposed tariff that iBasis Retail, Inc. amended to reflect this change. The revised proposed tariff is at Exhibit B.

PJG 1-4: Please indicate whether iBasis intends to offer resold long distance telecommunications service in the residential and/or business markets in Arizona.

iBasis Retail: Yes, see response to question A-1 of iBasis Retail, Inc.'s application.

IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S FIRST SET OF DATA REQUESTS
DOCKET NO. T-20618A-08-0469
December 4, 2008

- PJG 1-5:** In regards to item A-9 of your Application, Staff is unable to locate the proposed current and maximum rates in the proposed Arizona CC Tariff No. 1 included in Attachment B for those services that iBasis is requesting authority to provide in the State of Arizona. Please indicate by referencing the tariff page number(s) and subsection number(s) where these rates can be found and/or submit updated proposed tariff pages containing those rates.
- iBasis Retail:** See page 29 of iBasis Retail, Inc.'s proposed tariff. For the proposed amended maximum rates, please see page 29 of the revised proposed tariff at Exhibit B.
- PJG 1-6:** Based on the resold long distance service rates identified above in your response to PJG 1-5, please specify whether iBasis or an affiliate will charge or charges the same rates for similar services in the other states/jurisdictions in which iBasis has been approved to provide service. If there is a difference between the rates that iBasis will charge in Arizona and the rates that it charges or will charge in the other states/jurisdictions for similar service, please identify and indicate the amount of the difference and explain why you are charging different rates in Arizona.
- iBasis Retail:** The rates provided on page 29 of iBasis Retail, Inc.'s proposed tariff, as amended at Exhibit B represent the maximum tariffed rates that iBasis Retail, Inc. intends to charge for intrastate calls in Arizona. These maximum rates are the same maximum rates tariffed in other states except that the maximum base rate in Arizona is lower by \$.39 in order to be more in line with the tariffed rates of competitors in Arizona.

IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S FIRST SET OF DATA REQUESTS
DOCKET NO. T-20618A-08-0469
December 4, 2008

PJG 1-7: Please indicate why you believe that your rates are just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Please provide actual tariff pages and fill in the table below to show your actual or proposed tariff rates and charges. Then show each competitor's tariff rates and charges for comparable telecommunications services. At a minimum, show tariff information of Qwest and two other competitors in Arizona. The material you provide should enable Staff to determine whether the tariff rates and charges of the Applicant are just and reasonable compared to other competitors offering the same or similar telecommunications services in Arizona.

iBasis Retail: iBasis Retail, Inc.'s rates are just and reasonable because they fall within the range of rates listed in the tariffs of competitors in the state of Arizona. Page 29 of iBasis Retail, Inc.'s proposed tariff, as amended, reflects that the maximum per minute rate for intrastate calls in Arizona will be no more than \$.60. See Exhibit A for a competitive market analysis based on tariffs on file with the Arizona Corporation Commission. See revised proposed tariff at Exhibit B.

PJG 1-8: Please clarify the response provided by iBasis to item A-13 of its Application.

iBasis Retail: iBasis Retail, Inc. does not provide dial tone to end users, but rather as a provider of prepaid calling card services, acts as an alternative toll service provider to the customers that choose to purchase the card. Thus, if a customer chooses to purchase a card, then that customer is choosing to use iBasis Retail, Inc. as its alternative toll service provider by using the access numbers and the PIN provided. Therefore, the card does not provide a way to access other alternative toll service providers, other than iBasis Retail, Inc.

IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S FIRST SET OF DATA REQUESTS

DOCKET NO. T-20618A-08-0469

December 4, 2008

PJG 1-9: Please explain your "not applicable" response to items A-11 and A-12 of the Company's Application in light of the several class action complaints filed in various U.S. District Courts and the U.S. Securities and Exchange Commission's investigation as identified in iBasis, Inc. Form 10-Q and Form 10-K.

iBasis Retail: The cases referenced above and in questions, PJG 1-11, PJG 1-12, PJG 1-13, and PJG 1-14, were disclosed to the Commission in the financial documentation (iBasis, Inc.'s Form 10-K and 10-Q) that iBasis Retail, Inc. provided as Exhibit C to the Application.

In answering the specific questions posed in item A-11, iBasis Retail, Inc. responded "not applicable" because A-11 asked about any formal or informal "complaint" proceeding. As of the date of the initial filing, the SEC inquiry that iBasis, Inc. is currently subject to, whether formal or informal, is not a "complaint" proceeding.

A-12 was not interpreted to encompass the scope of the SEC investigation, because the prior question, A-11, referenced complaint proceedings by state and federal regulatory authorities and agencies. Thus, iBasis Retail, Inc. interpreted the scope of question A-12 to only address matters that were not addressed under A-11. Moreover, A-12, by its terms, does not appear to refer to civil complaints filed by civil litigants. It refers to "investigations" or "judgments." With respect to the cases noted at PJG 1-11, PJG 1-13, and PJG 1-14, iBasis Retail, Inc. did not reference them because they involve non-governmental plaintiffs that have no power to investigate. Moreover, no judgments have been issued in any of those matters with respect to iBasis, Inc.

With respect to any other iBasis, Inc. or iBasis Retail, Inc. related legal matters, neither iBasis Retail, Inc., nor its officers, have been subject to any criminal investigations by the Department of Justice or any state or local enforcement authorities. Moreover, neither iBasis Retail, Inc., nor its officers, have had any judgments in a civil matter, nor any judgments or civil actions taken by any regulatory authority.

IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S FIRST SET OF DATA REQUESTS

DOCKET NO. T-20618A-08-0469

December 4, 2008

PJG 1-10: Please provide an update on the status of the settlement negotiations to the class action complaints, related to the 1999 initial public offering, that were filed in the U.S. District Court for the Southern District of New York in 2001.

iBasis Retail: In 2001, iBasis, Inc. was served with class action complaints that were filed in the United States District Court for the Southern District of New York against it and its officers, directors, and former officers and directors, as well as against the investment banking firms that underwrote its November 10, 1999 initial public offering of common stock and its March 9, 2000 secondary common stock offering. The complaints were filed on behalf of a class of persons who purchased iBasis, Inc. common stock between November 10, 1999 and December 6, 2000. The complaints are similar to each other and to hundreds of other complaints filed against other issuers and their underwriters, and allege violations of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, primarily based on the assertion that there was undisclosed compensation received by iBasis, Inc.'s underwriters in connection with its public offerings and that there were understandings with customers to make purchases in the aftermarket.

In September 2001, the complaints were consolidated and the complaint requested an unspecified amount of monetary damages and other relief. In October 2002, the individual defendants were dismissed from the litigation by stipulation and without prejudice and subject to an agreement to toll the running of time-based defenses. In February 2003, the district court denied iBasis, Inc.'s motion to dismiss. In June 2004, iBasis, Inc. and the individual defendants, as well as many other issuers named as defendants in the class action proceeding, entered into an agreement-in-principle to settle the matter, and the settlement was presented to the court. The district court granted a preliminary approval of the settlement in February 2005, subject to certain modifications to the proposed bar order, to which plaintiffs and issuers agreed. In August 2005, the district court issued a preliminary order further approving the modifications to the settlement, certifying the settlement classes and scheduled a fairness hearing, after notice to the class. Plaintiffs have continued to pursue their claims against the underwriters. iBasis, Inc. expects that additional settlement negotiations will occur and does not believe that the matter is yet settled.

IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S FIRST SET OF DATA REQUESTS

DOCKET NO. T-20618A-08-0469

December 4, 2008

PJG 1-11: Please provide an update on the status of the two derivative actions, relative to the Company's stock options, that were filed in the U.S. District Court of Massachusetts in 2006.

iBasis Retail: The U.S. District Court consolidated the civil cases in May 2007. On August 24, 2007, iBasis, Inc. filed a motion to dismiss all of the claims asserted in the consolidated complaint. On December 4, 2007, the Court issued a memorandum and order in which it concluded that there was no basis for federal court jurisdiction over the case. Specifically, the Court ruled that the plaintiffs had failed to state a claim under federal law because: (1) the plaintiffs' claims under Section 14 of the Exchange Act were barred by the statute of repose and inadequately pled loss causation; and (2) there is no private right of action under Section 304 of the Sarbanes-Oxley Act. Since these federal claims were the sole grounds for plaintiffs' claim to federal court jurisdiction in their consolidated complaint, and the case was at an early stage in the litigation process, the Court also declined to exercise supplemental jurisdiction over the plaintiffs' remaining state law claims. Accordingly, the Court issued a formal order dismissing the entire action on December 5, 2007. The plaintiffs have appealed that dismissal to the Circuit Court of Appeals for the First Circuit; that appeal is pending.

PJG 1-12: Please provide an update on the status of the SEC investigation relative to the grant of the Company's stock options from 1999 through 2007.

iBasis Retail: The SEC has tentatively indicated that they have taken all of the investigative testimony they plan to take. iBasis, Inc. has not received notice from the SEC as to what, if any, action will be taken. On November 24, 2008, the SEC contacted iBasis, Inc. and indicated that it was considering recommending that the Commission bring a civil injunction against iBasis, Inc. and certain of its officers. iBasis, Inc. continues to cooperate fully with the SEC inquiry.

PJG 1-13: Please provide an update on the status of the calling card complaint filed on September 20, 2007 by J & J Communications in the U.S. District Court for the District of Maryland.

iBasis Retail: J & J Communications, Inc. ("J & J") filed suit against Abdul Communications, Inc. ("Abdul") on June 28, 2007. On September 10, 2007, J & J amended its complaint to add iBasis, Inc. and another defendant to the case. In general, J & J asserts a variety of claims to redress purported damages caused by a contract dispute between J & J and Abdul. Due to this dispute, Abdul instructed iBasis to deactivate certain calling cards that iBasis, Inc. sold to Abdul. On February 8, 2008, iBasis, Inc. moved to dismiss three counts of J & J's complaint - civil conspiracy, statutory conspiracy, and an alleged violation of the Telecommunications Act. The Court granted iBasis, Inc.'s motion on June 2, 2008. The parties are currently conducting discovery, which closes January 30,

IBASIS RETAIL, INC.'S RESPONSE TO STAFF'S FIRST SET OF DATA REQUESTS

DOCKET NO. T-20618A-08-0469

December 4, 2008

2009. None of iBasis's officers or directors is named in this lawsuit and iBasis Retail, Inc. is not a party to the suit. No civil judgments have been rendered.

PJG 1-14: Please provide an update on the status of the bankruptcy preference claim filed on April 24, 2001 by World Access, Inc., WorldxChange Communications, Inc., Facilicom International, LLC and other related debtors in the U.S. Bankruptcy Court for the Northern District of Illinois.

iBasis Retail: On April 24, 2001, World Access, Inc., WorldxChange Communications, Inc., and Facilicom International, LLC, together with other related debtors (collectively, the "Debtors"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the Northern District of Illinois (Eastern Division). The Debtors' cases are jointly administered but have not been substantively consolidated. Prior to April 24, 2001, iBasis, Inc. and the Debtors engaged in a reciprocal business relationship. On or about April 21, 2003, the Debtors initiated a large number of avoidance actions, including an adversary proceeding in which the Debtors asserted claims against iBasis, Inc. on account of allegedly preferential transfers and nonpayment of overdue amounts owed by iBasis, Inc. to the Debtors totaling approximately \$2.1 million. iBasis, Inc. asserted defenses to the claims, invoked statutory defenses, and filed proofs of claim for approximately \$0.5 million to which the trustee for the Debtors has objected. iBasis, Inc. expects to engage in mediation to attempt to resolve the claims during the first quarter of 2009. iBasis Retail, Inc. was not named in the petitions nor were iBasis Retail, Inc.'s officers named in the petitions. There have been no civil judgments rendered.

PJG 1-15: Please provide an updated response to items A-11 and A-12 of the Company's Application regarding any other proceedings, complaints, disputes, investigations, or judgments that the Applicant or any of its officers, directors, partners, or managers have been or are currently involved in that are not already discussed above in PJG 1-10 through PJG 1-14.

iBasis Retail: See answers provided under PJG 1-9 for a detailed response.

EXHIBIT A

Response to PJG 1-7

Competitive Market Analysis

Applicant: iBasis Retail, Inc.

	Rate/Fee	Tariff Page
Prepaid Calling Service		
Per minute rate	Maximum of \$0.60 per minute	29
Weekly fee	\$0.89	29
Hang-up/connect fee	Maximum of \$0.99 per call	29
Payphone surcharge	Not applicable	29

Competitor: Entrix Telecom, Inc.:

	Rate	Tariff Page
Prepaid Toll Free Calling Cards		
Per minute rate	\$0.50 per minute	30
Hang-up/connect fee	\$1.00 per call	30
Bi-weekly service charge	\$0.79	30
Payphone surcharge	\$0.65	30

Competitor: IDT America, Corp.

	Rate/Fee	Tariff Page
Prepaid Calling Card Service		
Per minute rate	\$0.50 per minute	28.2
Hang-up/connect fee	\$1.00 per call	28.2
Payphone surcharge	\$0.65 per call	28.2
Bi-weekly fee	\$0.69	29
Travel Card		
Per minute rate	\$0.10 per minute	28.2
Payphone surcharge	\$0.75 per call	28.2
Rechargeable Calling Card Service		
Per minute rate	\$0.069 per minute	29
Monthly fee	\$1.49	29
Payphone surcharge	\$0.65	29

Qwest Communications Corporation - * To the best of iBasis Retail, Inc.'s understanding, Qwest does not provide similar retail prepaid calling card services.

4.2 Travel Card

IDT will charge a flat rate of \$0.10 per minute with no time of day discounts and without regard to mileage for calls originating and terminating in Arizona.

IDT will charge a flat rate of \$0.75 for all calls made using a Travel Card from a payphone. (I)

Applicable taxes and surcharges required and/or permitted to be imposed on the rates listed in Section 4.2 may be applied as separate line items in a Customer's IDT Presubscribed Long Distance bill.

4.3 Prepaid Calling Card

IDT will charge a flat rate of \$0.50 per minute with no time of day discounts and without regard to mileage for calls originating and terminating in Arizona.

IDT will charge a flat rate of \$0.65 for all calls made using a Prepaid Calling Card from a payphone.

IDT will charge a \$1.00 connection fee for all calls made using a Prepaid Calling Card.

Material on this Page previously appeared on Original Page No. 28

Issued Date: September 9, 2004

Effective Date: October 9, 2004

Issued by:

Diane Clark, Associate General Counsel
IDT America, Corp.
520 Broad Street
Newark, New Jersey 07102-3111
(973) 438-1000

IDT will charge a bi-weekly service charge of \$0.69 to all Prepaid Calling Cards three (3) days after the Card's first use and every fourteen (14) days thereafter.

The rates listed in Section 4.3 include all applicable taxes and surcharges required and/or permitted to be imposed.

4.4 Rechargeable Calling Card

IDT will charge a flat rate of \$0.069 per minute with no time of day discounts and without regard to mileage for calls originating and terminating in Arizona.

IDT will charge a flat rate of \$0.65 for all calls made using a Rechargeable Calling Card from a payphone.

IDT will charge a \$1.49 monthly (every 30 days) fee for use of its Rechargeable Calling Card.

The rates listed in Section 4.4 include all applicable taxes and surcharges required and/or permitted to be imposed.

4.5 Inbound 8XX Service ("Toll Free")

IDT will charge a flat rate of \$0.169 per minute with no time of day discounts and without regard to mileage for calls originating and terminating in Arizona.

Applicable taxes and surcharges required and/or permitted to be imposed on the rates listed in Section 4.5 may be applied as separate line items in a Customer's IDT 8XX Service ("Toll Free") bill.

4.6 Directory Assistance

IDT will charge a flat rate of \$0.95 per number requested, whether the requested number is listed or not. (I)

Applicable taxes and surcharges required and/or permitted to be imposed on the rates listed in Section 4.7 may be applied as separate line items on a Customer's IDT Presubscribed Long Distance bill where a Directory Assistance call is made by an IDT Presubscribed Customer. Where a Directory Assistance call is made on a

Issued Date: August 25, 2004

Effective Date: September 25, 2004

Issued by:

Diane Clark, Associate General Counsel
IDT America, Corp.
520 Broad Street
Newark, New Jersey 07102-3111
(973) 438-1000